

# **New Hampshire Insurance Department Informational Notice**

**May 13, 2002**

**Docket No.: INS NO. 02-015-IN**

## **LIMITED OPEN ENROLLMENT PERIODS FOR GROUPS OF ONE**

### **Background**

Chapter 296 of the 2001 legislative session allows health insurers to restrict issues to groups of one, e.g. self-employed individuals. This informational notice addresses questions that have been brought to the Department's attention relating to the implementation of that part of this legislation. The statutory language is as follows:

“RSA 420-G:8 I-a. Small employers who are self-employed individuals shall have 2 open enrollment periods that shall occur during the months of March and September of each calendar year. During these periods, health carriers shall make their plans available to these employers for effective dates beginning on the first day of the month following the open enrollment period. Self-employed individuals who seek coverage during other times of the year shall be treated as late enrollees.”

### **Guaranteed Renewable**

All health insurance plans issued in this market are guaranteed renewable. The new legislation does not affect renewability provisions. Carriers that renew plans on dates that are not consistent with the two open enrollment periods set forth in RSA 420-G:8 I-a are not required to make their other plans available to self-employed individuals on renewal, unless the carrier is implementing a uniform product discontinuance. In the event of a uniform product discontinuance, all of the carrier's small group products shall be available to the self-employed individual with an effective date consistent with the first day on which the discontinued product is terminated.

### **Product Availability**

Carriers need not restrict the availability of their products to the prescribed open enrollment periods. The law establishes a minimum period during which products must

be available on a guaranteed issue basis. Carriers may make their products available during other times of the year.

Carriers deviating from the prescribed open enrollment period shall make an informational filing with the Department that indicates when the carrier's products will be available to self-employed individuals on a guaranteed issue basis. This filing should be addressed to the attention of Colin Mitchell\*, Consumer Coordinator. These filings must be updated as carriers make changes to their open enrollment periods.

The Department will be monitoring open enrollment periods and changes thereto to ensure carrier activities do not unfairly discriminate against any segment of the self-employed market.

## **Special Enrollment Periods**

Self-employed individuals must be granted special open enrollment periods consistent with those delineated in RSA 420-G:8. Special enrollment periods shall be granted to self-employed individuals if all of the following are true:

1. The self-employed individual was covered under public or private health coverage on the last day of the most recent open enrollment period;
2. The self-employed individual has lost this coverage due to the coverage being terminated; and
3. The self-employed individual requests enrollment in another group plan within 30 days of the termination of this coverage.

The Department recognizes that coverage may be terminated for a variety of reasons. Examples of coverage termination events that give rise to a special open enrollment period include, but are not limited to:

1. A market withdrawal; or
2. The self-employed individual's coverage was provided to the individual as a qualified dependent through some other group plan, and
  - a. the self-employed individual no longer qualifies for dependent coverage; or
  - b. the group plan no longer provides dependent coverage.

The following are examples of events that shall not be considered coverage termination events and that do not give rise to a special open enrollment period:

1. The self-employed individual's coverage was provided to the individual as a qualified dependent through some other group plan, and
  - a. the dependent coverage was declined;
  - b. the group plan was replaced; or
  - c. the group carrier effected a uniform product discontinuance.
2. A uniform product discontinuance.
3. A network change.
4. A claim denial.
5. The self-employed individual failed to renew existing coverage.
6. The self-employed individual failed to elect alternative coverage offered by a carrier effecting a uniform product discontinuance.

## **Late Enrollees**

Self-employed individuals who are neither eligible for a special open enrollment nor a regular open enrollment shall be referred to as late enrollees. Late enrollees need not be offered coverage on a guaranteed issue basis. However, if offered insurance, late enrollees may not be rated any differently from other enrollees.

A self-employed individual's status as a late enrollee shall not be affected by the amount of creditable coverage the individual has accrued nor by the length of any break in creditable coverage.

## **Coverage Start Date**

For self-employed individuals who elect coverage during either a special or a regular open enrollment period, the carrier must be able to make coverage effective as of the first day of the month following the open enrollment period.

\*Barbara Anderson is now the contact at the NH Insurance Department - updated 12/28/05